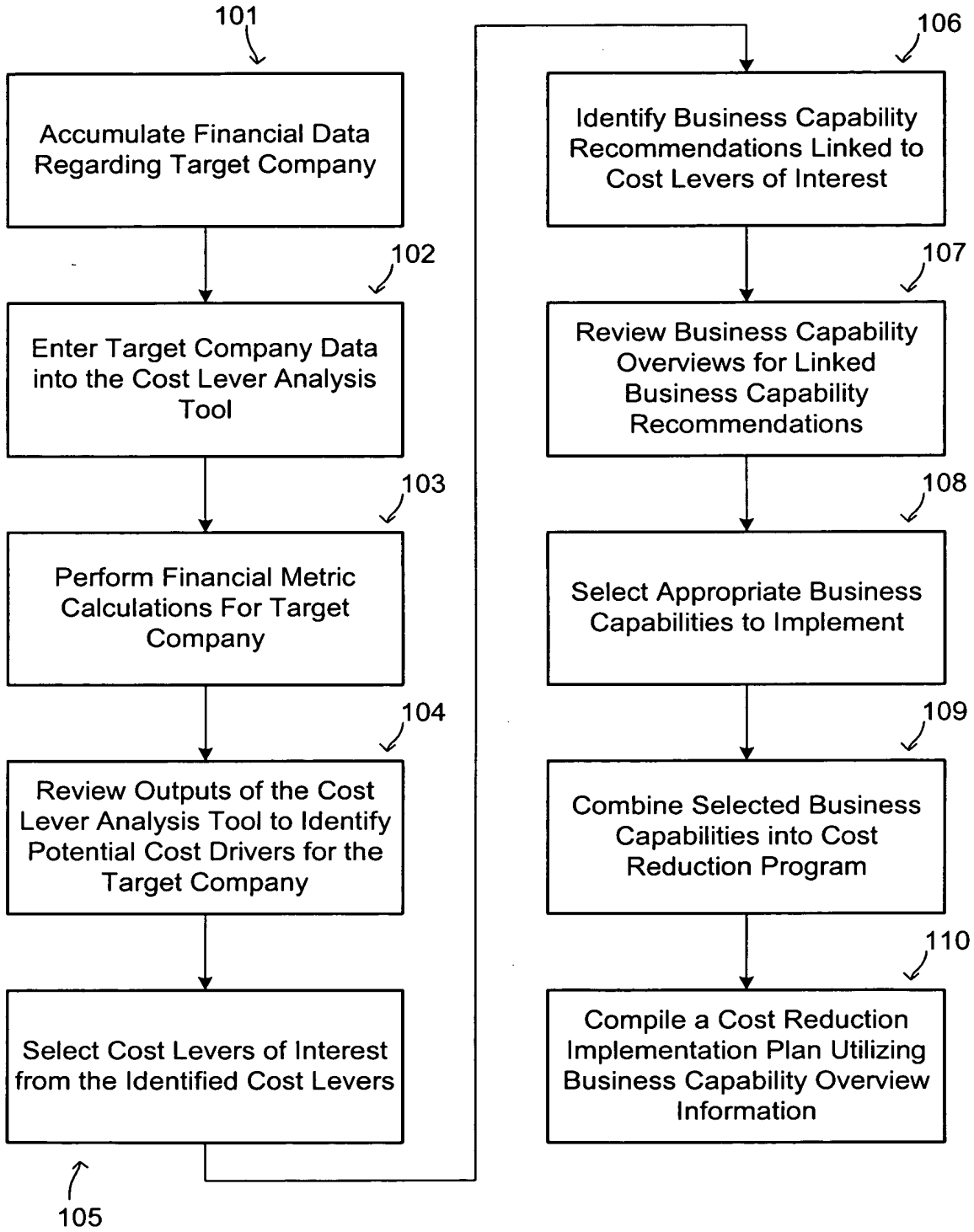
Title: COST ANALYSIS AND REDUCTION TOOL
Inventor: Kristin L. FICERY et al.
Attorney Dkt. No. 86769-0039CIP



100

FIG. 1

Title: COST ANALYSIS AND REDUCTION TOOL
Inventor: Kristin L. FICERY et al.
Attorney Dkt. No. 86769-0039CIP

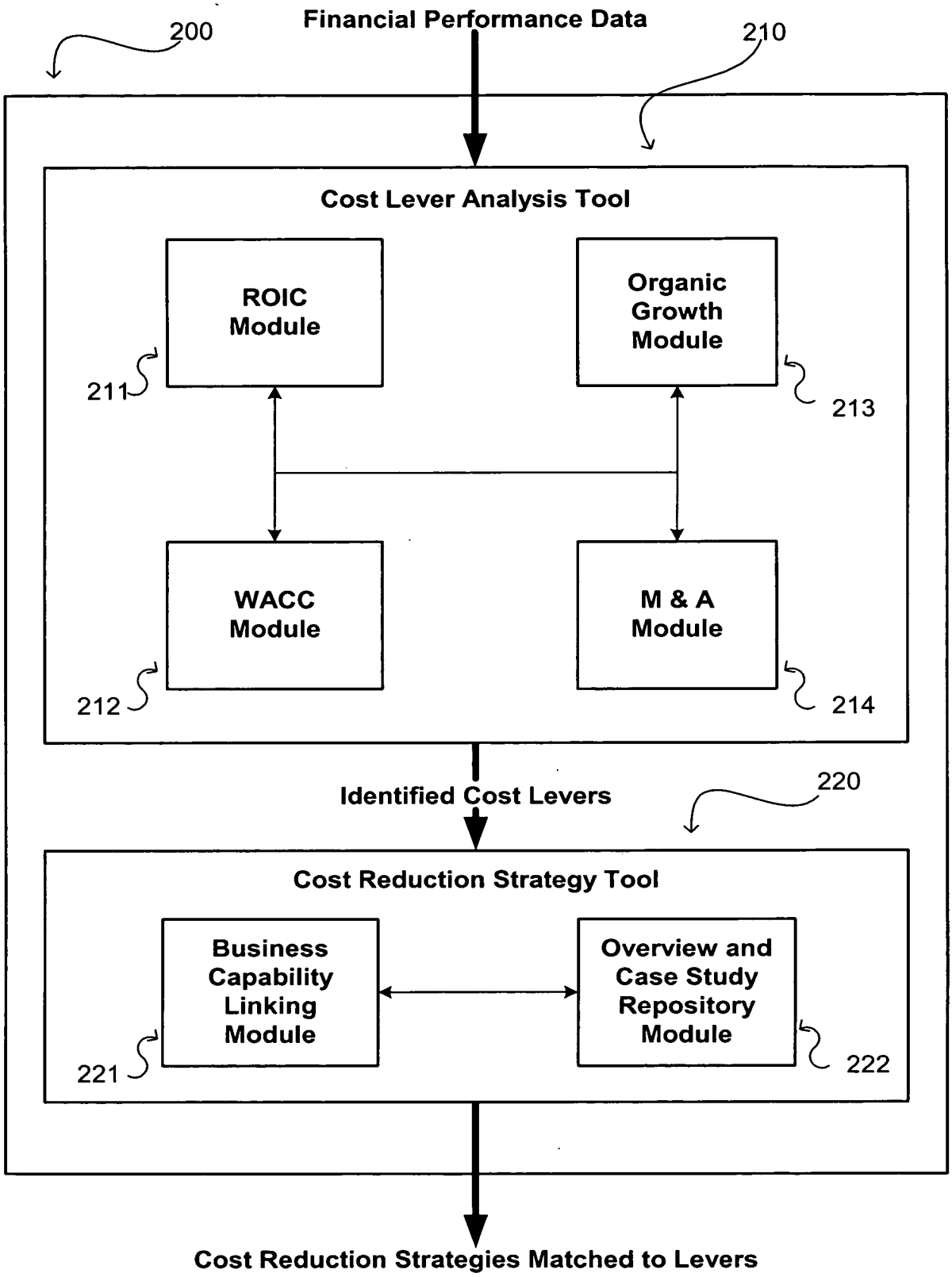


FIG. 2

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Inventor: Kristin L. FICERY et al.
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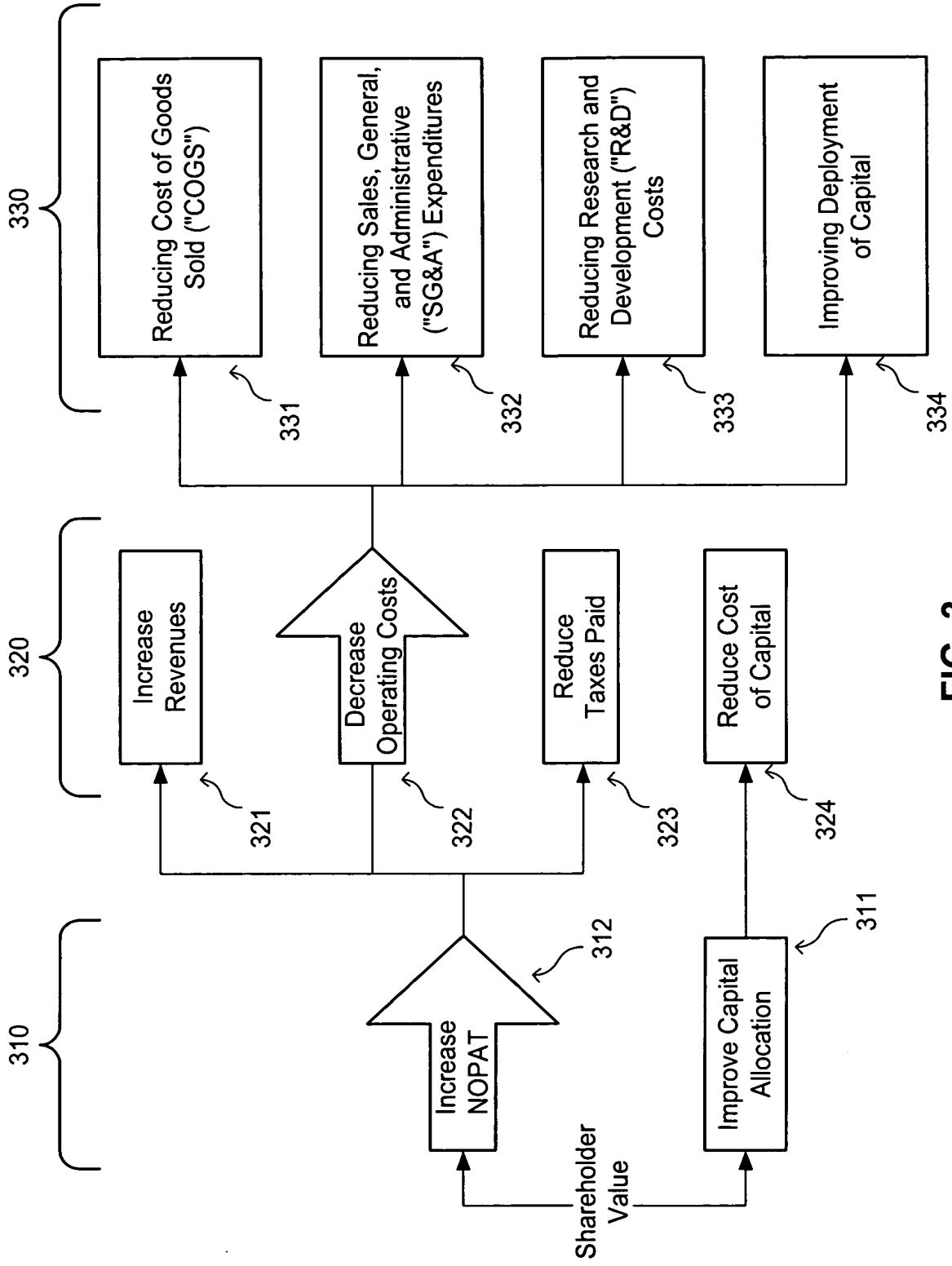


FIG. 3

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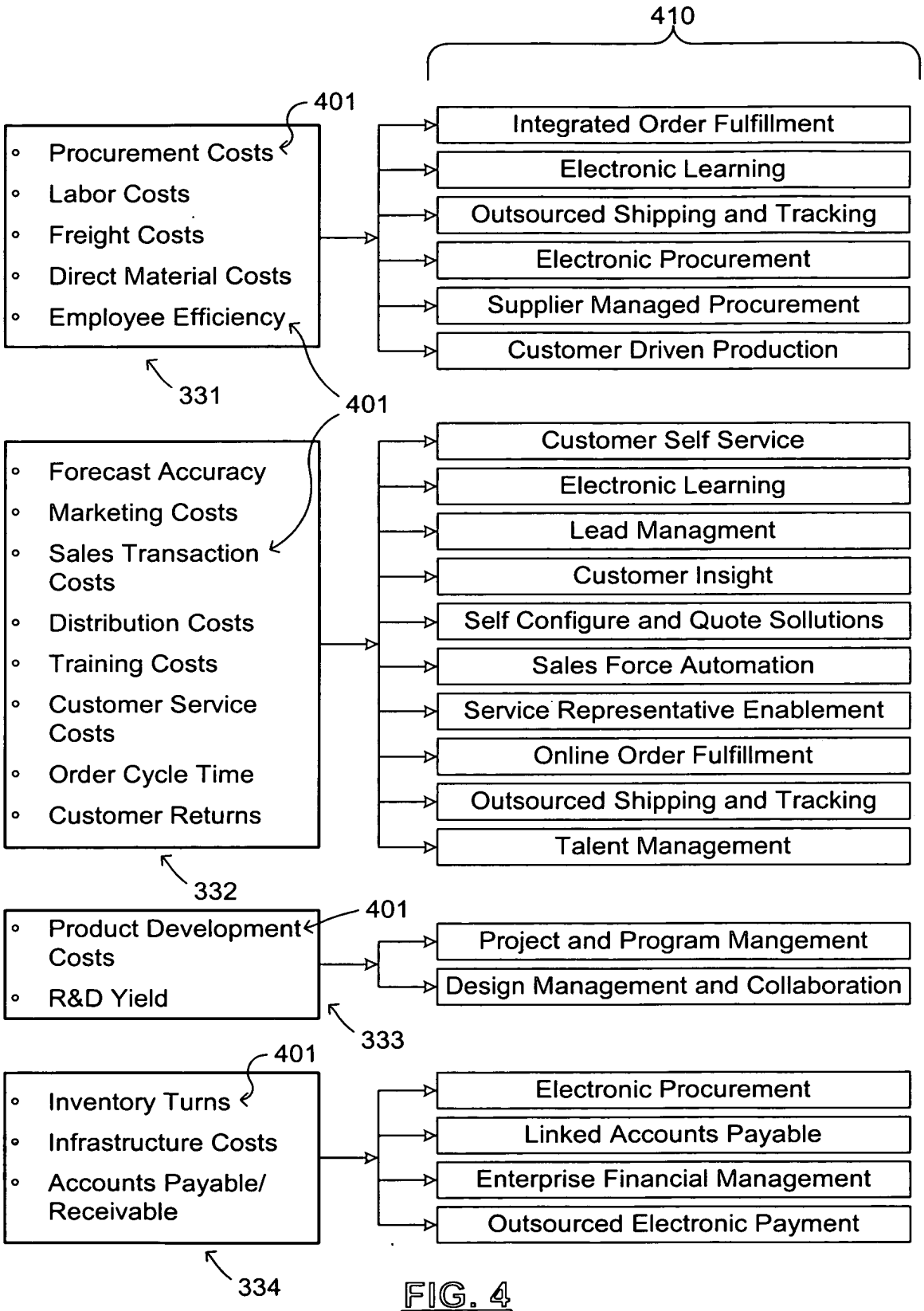


FIG. 4

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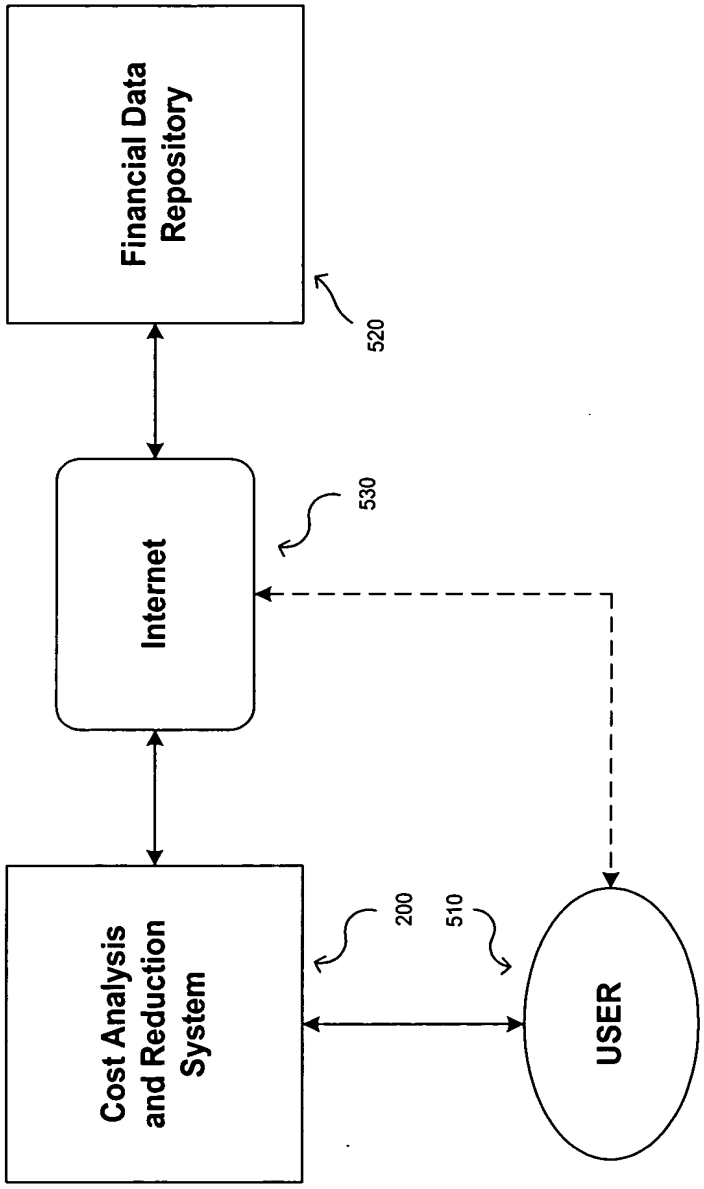


FIG. 5

600

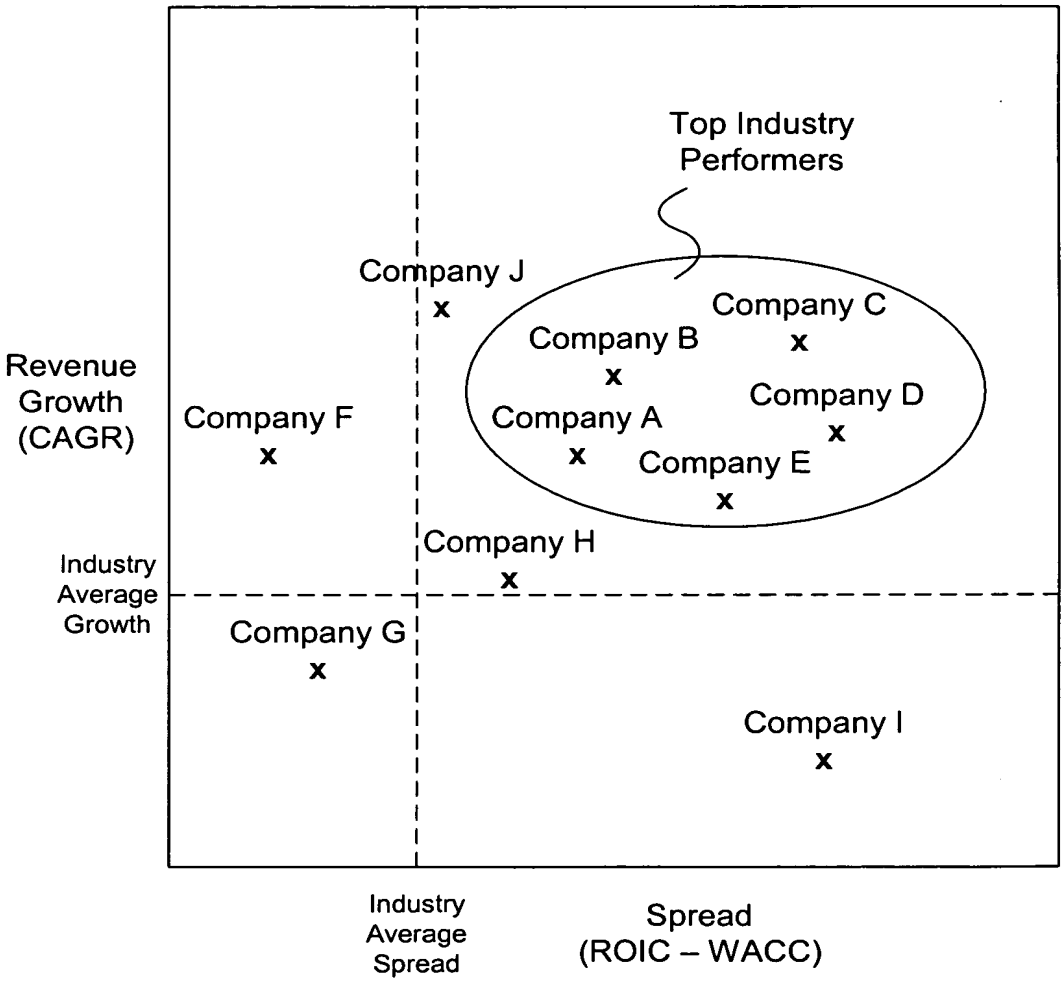

Top Industry
Performers
Company J
Company C
Company B
Company D
Company A
Company E
Company F
Company H
Company G
Company I
Revenue
Growth
(CAGR)
Industry
Average
Growth
Industry
Average
Spread
Spread
(ROIC – WACC)

FIG. 6

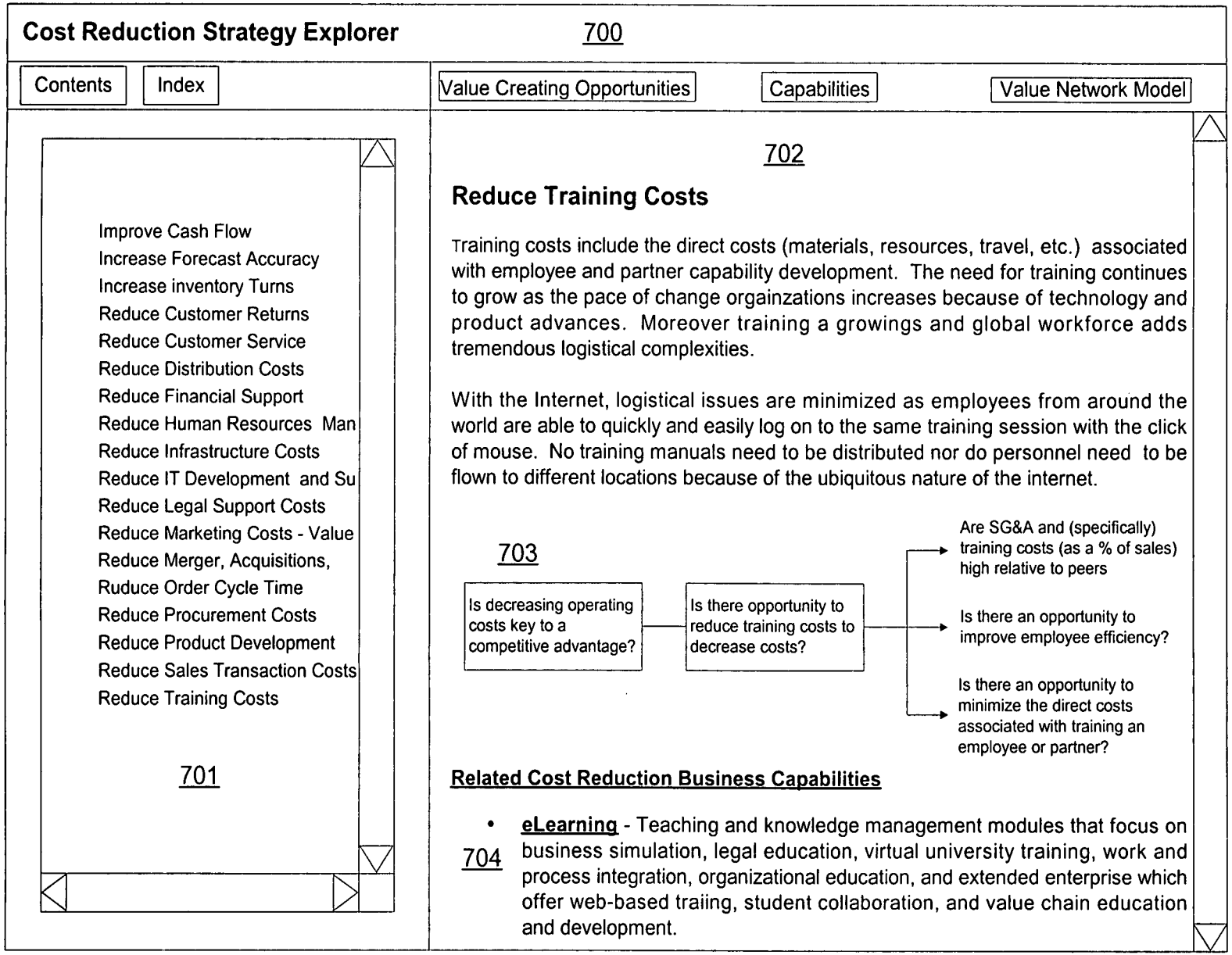


Fig. 7

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Inventor: Kristin L. FICERY et al.
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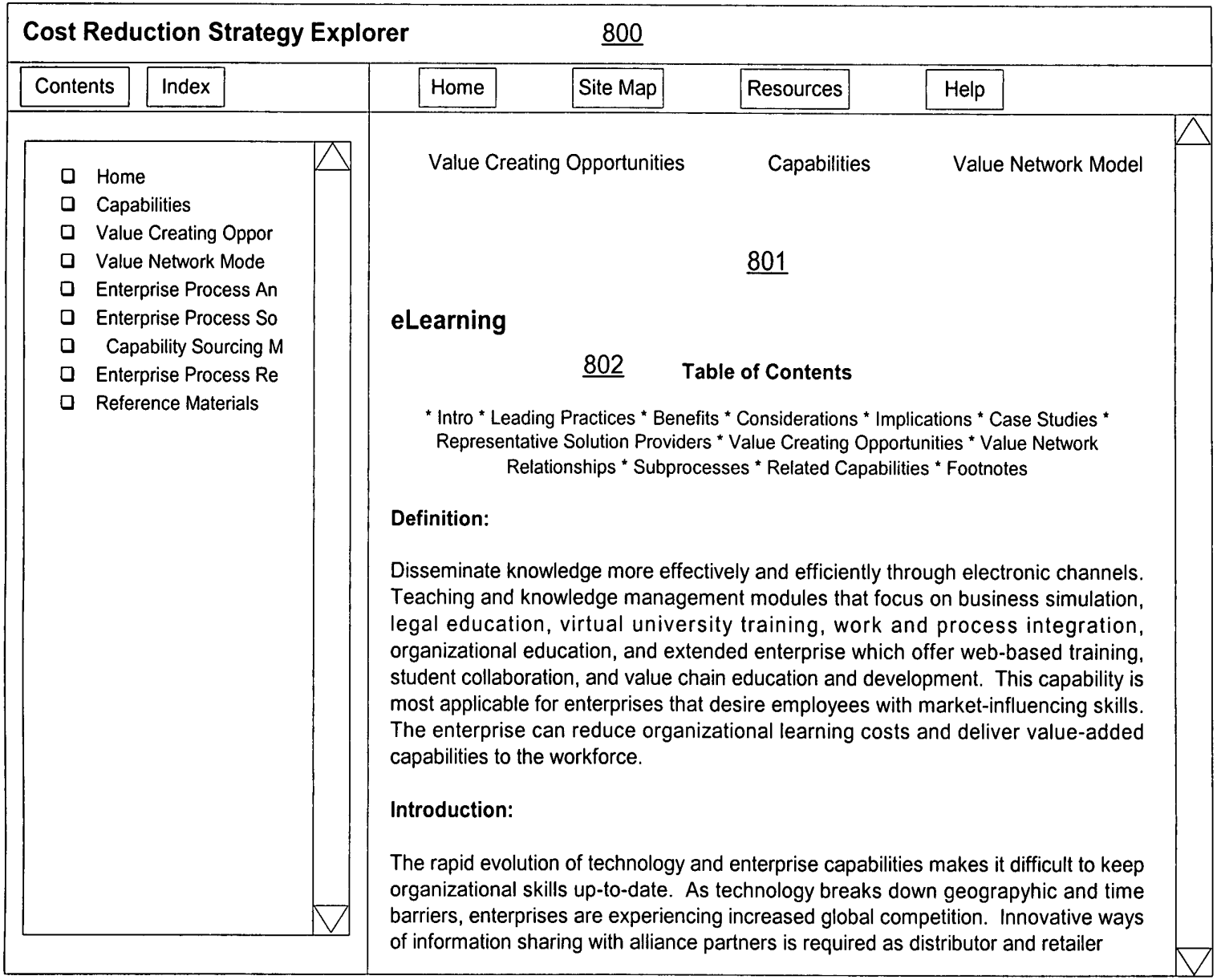

Cost Reduction Strategy Explorer
800
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Table of Contents
* Intro * Leading Practices * Benefits * Considerations * Implications * Case Studies * Representative Solution Providers * Value Creating Opportunities * Value Network Relationships * Subprocesses * Related Capabilities * Footnotes
Definition:
Disseminate knowledge more effectively and efficiently through electronic channels. Teaching and knowledge management modules that focus on business simulation, legal education, virtual university training, work and process integration, organizational education, and extended enterprise which offer web-based training, student collaboration, and value chain education and development. This capability is most applicable for enterprises that desire employees with market-influencing skills. The enterprise can reduce organizational learning costs and deliver value-added capabilities to the workforce.
Introduction:
The rapid evolution of technology and enterprise capabilities makes it difficult to keep organizational skills up-to-date. As technology breaks down geograpyhic and time barriers, enterprises are experiencing increased global competition. Innovative ways of information sharing with alliance partners is required as distributor and retailer

Fig. 8

900

Recommendation Name: eLearning

Duration. **Release 1 - 3 months, R2 - 6 Months**

Economics

901

	Benefits	Costs
One Time	$23 50 m	$ xx yy m
Recurring	$30 - 50 m	--
NFV $xx m	IRR xx%	Payback xyears

Objective

Generate human resource efficiencies across the entire enterprise by leveraging electronic learning capabilities. Improve retention, skills, and filed staff performance.

Description

Disseminate knowledge more effectively and efficiently through electronic channels, teaching and knowledge management modules that focus on business simulation, legal education, visual university training, work and process integration, organizational education, and extended enterprise which offer web-based training, student collaboration, and value chain education and development. This capability is most applicable for enterprises that desire employees with market-influencing skills. The enterprise can reduce organizational learning costs and deliver value-added capabilities to the workforce.

902

Implementation Approach — Responsibility — Timing

		Q 1	Q2	Q3	Q4
1. Analysis and Design	Tiger Team	*****			
2. Release 1 -- US Integration	VP, Operations	**********			
3. Release 2 -- Global Integration	VP, Human Resources	**********	**********		

903

Key Benefits

* 40% reduction in training costs and 36% increase in course enrollment
* 30% reduction in course time
* 20% increase in course performance

905

* Company revenues surpass expenses 10-to-1
* 20% increase in profitability and 53% increase in business efficiency

Key Cost Considerations

904

* Analysis: $ xx - $ yy
* Software Integration: $ xx - $ yy m
* Training: $ xx -- yym
* Elimination of personnel: $xx -- yy ($xx per person)

Fig. 9

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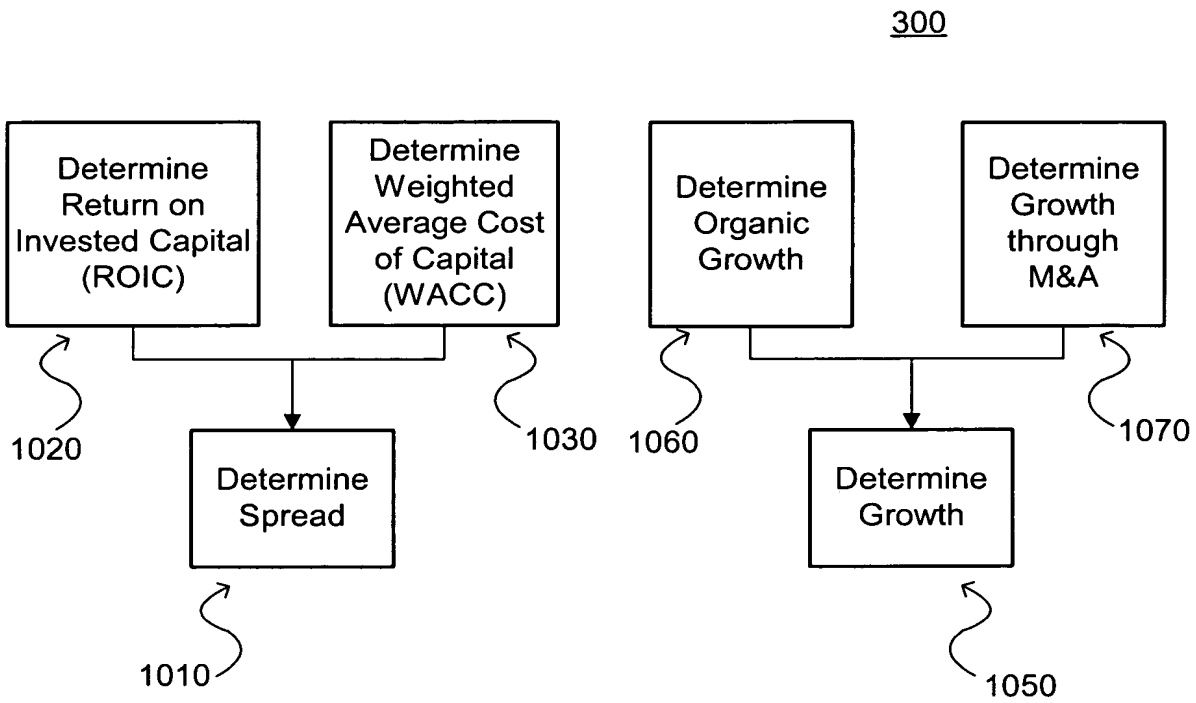

300
Determine Return on Invested Capital (ROIC)
Determine Weighted Average Cost of Capital (WACC)
Determine Organic Growth
Determine Growth through M&A
1020
1030
1060
1070
Determine Spread
Determine Growth
1010
1050

FIG. 10

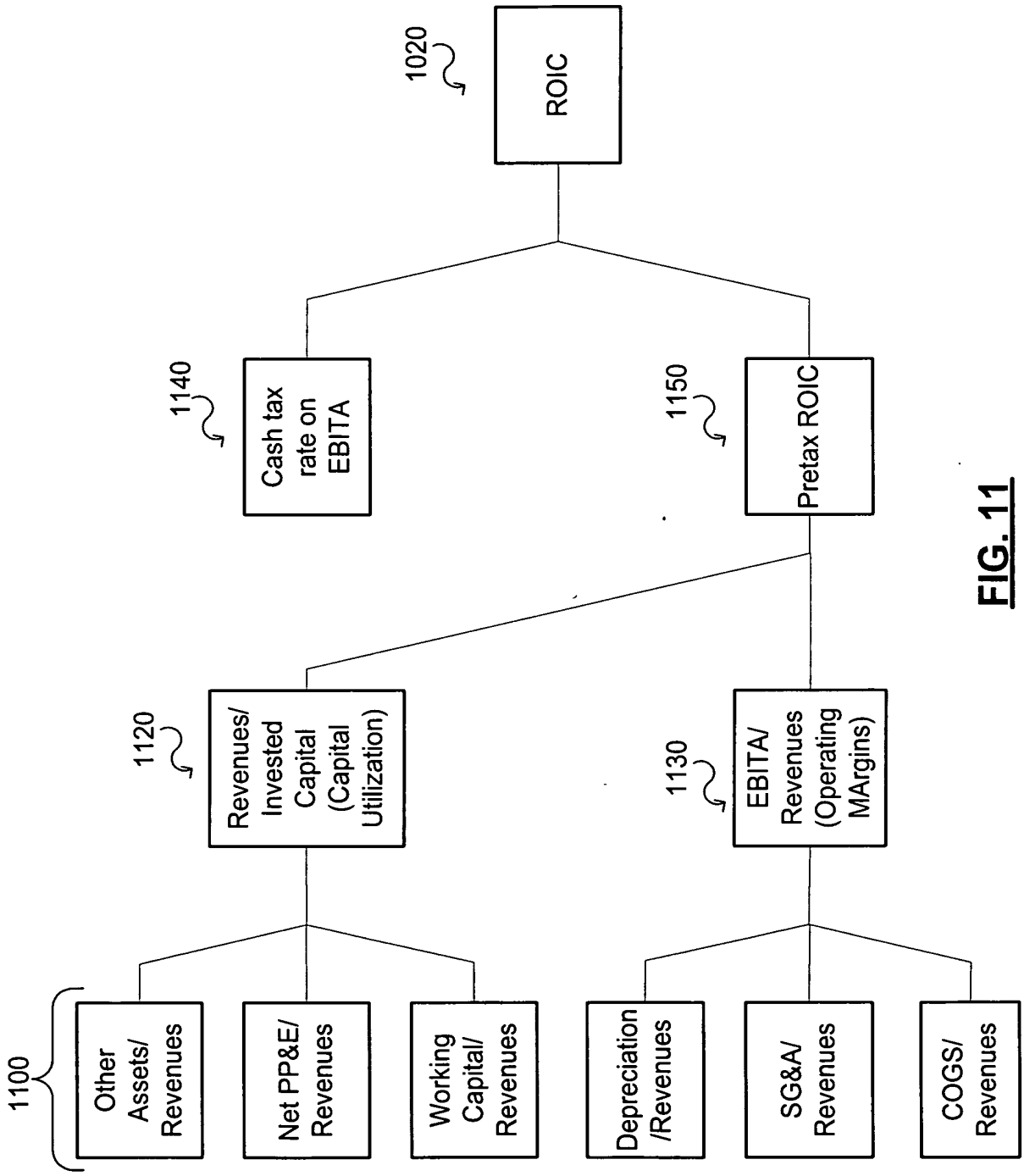

1020
ROIC
1140
Cash tax rate on EBITA
1150
Pretax ROIC
1120
Revenues/ Invested Capital (Capital Utilization)
1130
EBITA/ Revenues (Operating MArgins)
1100
Other Assets/ Revenues
Net PP&E/ Revenues
Working Capital/ Revenues
Depreciation /Revenues
SG&A/ Revenues
COGS/ Revenues

FIG. 11

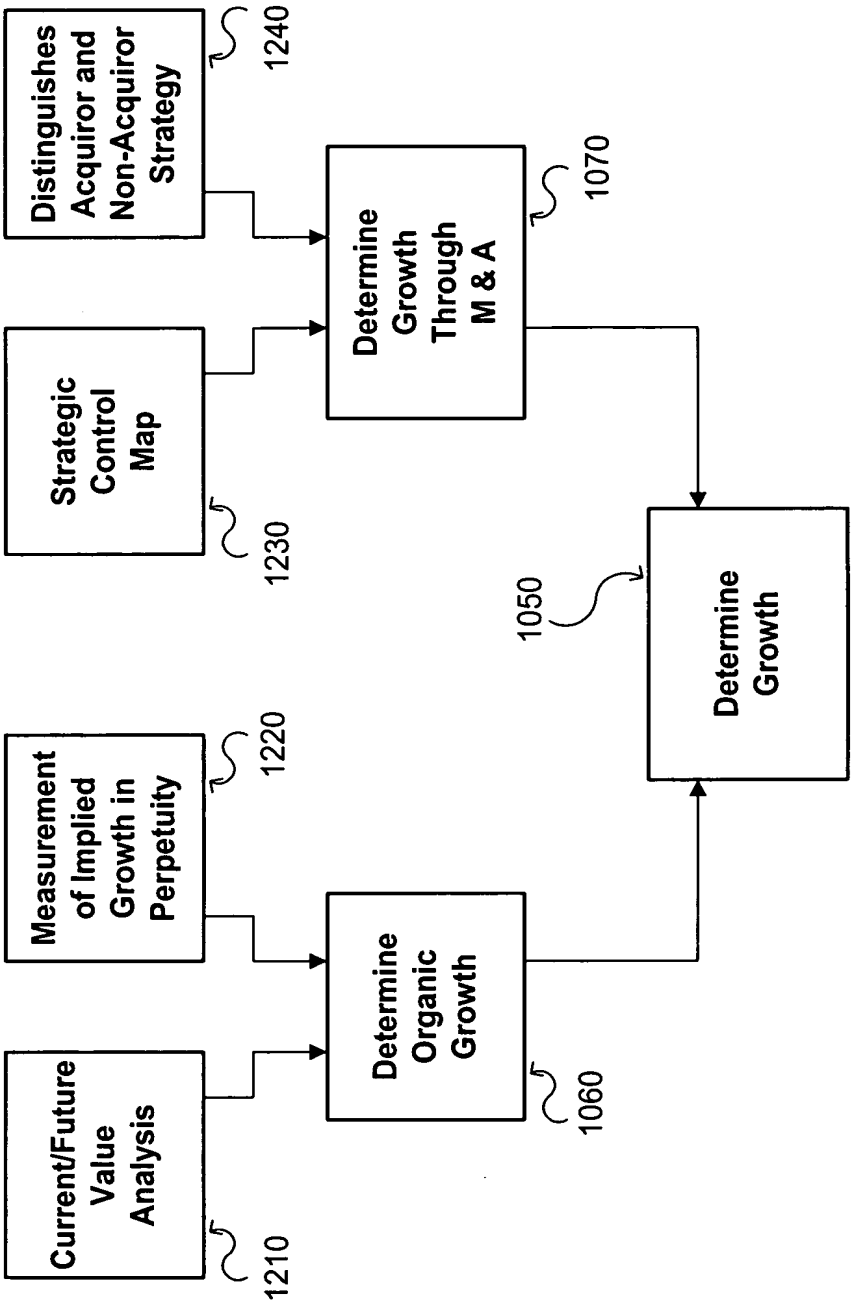

Distinguishes Acquiror and Non-Acquiror Strategy
1240
Strategic Control Map
1230
Determine Growth Through M & A
1070
1050
Determine Growth
Measurement of Implied Growth in Perpetuity
1220
Current/Future Value Analysis
1210
Determine Organic Growth
1060

FIG. 12